



## Public Meeting Summary

### ***Defense Acquisition Performance Assessment Project***

Wednesday, October 19, 2005, 9:00 AM – 12:00 Noon

Panel and Staff Present: Gerald Abbott, Paul Kern, Donald Kozlowski, Linda Brandt, Francis A'Hearn, Judy Stokley, Alfred Hutchins, David Patterson, Eileen Giglio, Alan Boykin, Mark Lumb

Location: Anteon Corporation Conference Center  
1560 Wilson Blvd  
Arlington, VA 22209

#### Opening Remarks by Mr. Dave Patterson (9:05 AM)

##### Acquisition Reform (Mr. Norman R. Augustine, Author, "Augustine's Laws")

- Choose leaders with primary emphasis on ethics and moral compass of the individual
- Get experienced and capable people into DoD – process makes it too difficult to bring in good people and too difficult to get rid of non-performing individuals
- Give very high priority to funding basic and applied research in the DoD
- Finish programs you start unless there is a very compelling reason to stop – programs should meet conditions prior to start
  - Need is clear
  - Technology at hand
  - Necessary funds available
  - Eliminate turbulence during program execution
  - Hold someone accountable – perception is that everyone is responsible for everything and no one is responsible for anything
- Provide funding reserves
- Fund programs in a single increment from major milestone to major milestone
- Risk aversion – if the punishment for failure is greater than the reward for success, it doesn't take long for an individual to figure out what the optimum strategy is
- We buy such small quantities of items today that we price ourselves out of the market – need to place a great deal more emphasis on product improvement, as opposed to starting new systems
- Control the appetite of the requirements process
- Use appropriate contract instruments
- Need to treat reliability as performance parameter
- Create fast track systems for ultra important programs
- During times of low production rates, continue to prototype new concepts – create mechanism for holding together the design teams in industry (most important asset within our industry and probably the hardest thing to reconstitute)
- Change testing philosophy – testing has become a tool in the hands of those who want to cancel programs
- Break down barriers between government and industry



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#### Program Analysis and Evaluation (Dr. Richard Burke, Deputy Director, Resource Analysis, Department of Defense)

- Basis of PA&E
  - DoD Directive 5141.1
  - Core responsibilities
    - Analysis of US defense plans, programs, and budgets for executing approved strategies and policies
    - Oversight of the PPBE system
    - Provide leadership in developing and promoting improved analytic skills and competencies, tools, data and methods for analyzing national security planning and the allocation of resources
- Role in Resource Planning and Acquisition Process
  - PA&E Director is Defense Acquisition Board Principal – reviews MDAPs and MAIS at milestone events, prepares guidance and reviews Analyses of Alternatives, and provides PPBES leadership
  - CAIG Chairman is DAB Advisor – prepares statutory Independent Cost Estimates on MDAPs and prepares Independent Cost Estimates for decision authorities
- Typical Ongoing Analyses and Activities
  - Military to Civilian Conversions
  - Joint common Missile
  - Mobility Capability Study
- Biggest Challenges
  - Fact and transparency
  - Linking strategy, plans, resources, and execution
  - Raising decision level to capability and portfolio
  - Developing, aligning and motivating talent

#### The Impact of global Markets on Economic Security (Mr. Matthew S. Borman, Deputy Assistant Secretary, Bureau of Industry and Security, Department of Commerce)

- Current structure in the US Government for export controls
  - Export controls refer to the US Government's authority to control the export of either munitions items, arms, or dual use items
  - Exports are not only things that leave the country, but also the transfer of control technology to foreign nationals in the US
  - International Traffic in Arms Regulations (ITAR) is a set of regulations that covers the export of so-called munitions items and is owned by the State Department
  - Depending on the nature of the item, licensing may need to be coordinated between State, Commerce and DoD
  - Process called Product Jurisdiction Process used by Commerce, State and Defense to determine the jurisdiction for a particular product and if it will be on the export licensing "list"



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- Implications of that system and how it works on the acquisition side
  - When a company is developing a product, if it turns out that their initial development of the product is for military application, there is a presumption that it will be on the “list”
  - In the old days, there was a lot more acquisition based on military specifications and the licensing process was much easier and simpler
  - Now, depending on how heavily the DoD depends on buying commercial off the shelf items, there’s much more uncertainty, more of a blurring of the lines between purely military and dual-use applications
  - Many companies rely heavily upon their ability to sell commercial products abroad and revenue generated from international sales comes back into their R&D and production stream
  - Most companies’ revenue stream is primarily from commercial sales and that affects their ability to do Defense work
  - Need to look at what impact this has on the ability of the companies, not only to survive economically and provide jobs, but also to be a part of the defense industrial base

Mr. Patterson’s Closing Remarks

Adjourned (11:45 AM)

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Ronald T. Kadish  
Chairman

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Alan J. Boykin, Col, USAF  
Designated Federal Official